

Perpetual Trust Services Limited  
ACN 000 142 049 AFSL 236 648  
as responsible entity of the  
Perpetual Credit Income Trust ARSN 626 053 496

Angel Place  
Level 18, 123 Pitt Street  
Sydney NSW 2000  
Australia

17 February 2025

ASX Limited  
ASX Market Announcements Office  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

## **Perpetual Credit Income Trust Monthly Investment Update announcement**

Perpetual Credit Income Trust (the Trust) (ASX: PCI) advises that it has released the Monthly Investment Update (the Report) for the period ending 31 January 2025 (as attached).

If shareholders or other interested parties have any queries regarding the Report, they can contact:

Karen Trau  
Investor Relations, PCI  
P: 02 9229 3138  
E: [karen.trau@perpetual.com.au](mailto:karen.trau@perpetual.com.au)

Yours faithfully,

Authorised for released by Perpetual Trust Services Limited, the Responsible Entity of the Perpetual Credit Income Trust

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# PERPETUAL CREDIT INCOME TRUST

ASX: PCI

## Investment update

### January 2025

#### Investment objective

To provide investors with monthly income by investing in a diversified pool of credit and fixed income assets.

#### Portfolio snapshot

As at 31 January 2025	Amount
ASX unit price	\$1.185
NTA per unit <sup>1</sup>	\$1.100

<sup>1</sup> Daily Net Tangible Asset (NTA) is available at [www.perpetualincome.com.au](http://www.perpetualincome.com.au)

All figures are in Australian dollars (AUD), unless otherwise stated. All figures are unaudited and approximate. Past performance is not indicative of future performance. NTA figures are calculated as at the end of day on the last business day of the month.

#### Investment performance<sup>3</sup>

As at 31 January 2025	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since incep. p.a.
PCI Investment Portfolio (net)	0.6%	1.9%	3.8%	8.6%	6.9%	5.6%	5.4%
Target Return <sup>4</sup>	0.6%	1.9%	3.9%	7.9%	6.8%	5.4%	5.3%
Distribution Return	0.6%	1.9%	4.4%	8.4%	7.1%	5.7%	5.4%
RBA Cash Rate	0.4%	1.1%	2.2%	4.5%	3.3%	2.1%	1.9%

<sup>3</sup> Investment returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management costs) and assuming reinvestment of distributions on the ex-date. Distribution return has been calculated based on the PCI investment portfolio return less the growth of NTA. The Responsible Entity aims to pay distributions to investors monthly. For such distributions, the record date is generally the last ASX trading day of each month and the ex-date is one business day prior to the record date. The ex-date for the distribution period ending 31 July 2024 and 31 August 2024 was in August. Therefore, the 1 month distribution return for the PCI investment portfolio of 1.2% takes into account the distributions for the periods ending 31 July 2024 and 31 August 2024. Past performance is not indicative of future performance. Since inception return is from allotment on 8 May 2019. The comparison to the RBA Cash Rate is not intended to compare an investment in PCI to a cash holding. The PCI investment portfolio is of higher risk than an investment in cash.

<sup>4</sup> Target Return is RBA Cash Rate + 3.25% p.a. (net of fees) through the economic cycle. This is a target only and may not be achieved.

#### Portfolio summary

As at 31 January 2025	Amount
Number of holdings	153
Number of issuers	96
Running yield	7.9%
Portfolio weighted average life	2.7 years
Interest rate duration	28 days

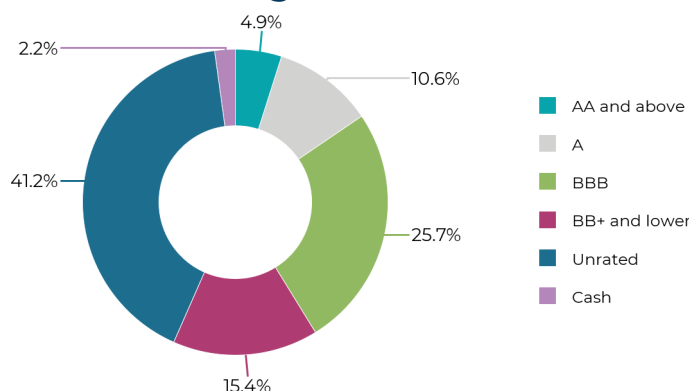
#### Key information

##### As at 31 January 2025

ASX code:	PCI
Structure:	Listed Investment Trust
Listing date:	14 May 2019
Market capitalisation:	\$576 million
Units on issue:	486,270,480
Distributions:	Monthly
Management costs:	0.88% p.a. <sup>2</sup>
Manager	Perpetual Investment Management Limited
Responsible Entity:	Perpetual Trust Services Limited

<sup>2</sup> Estimate inclusive of net effect of GST.

#### Ratings breakdown



Source: Standard & Poor's and Perpetual Asset Management Australia. Data is as at 31 January 2025. All figures are unaudited and approximate.

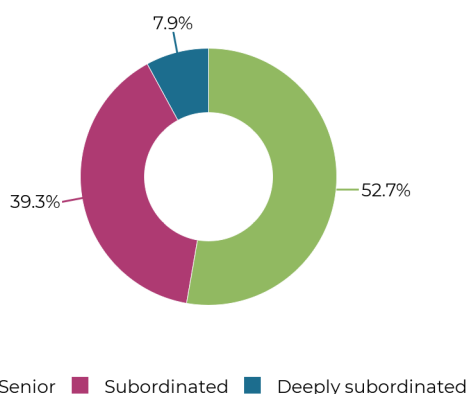
## Distributions CPU <sup>5</sup>

The table below shows the distribution in cents per unit for each distribution period in the respective financial year.

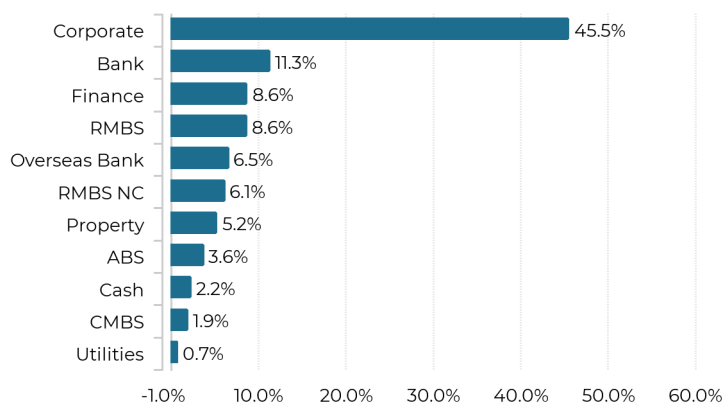
As at 31 January 2025	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
FY2024	0.67	0.68	0.67	0.68	0.68	0.68	0.68	0.64	0.69	0.67	0.73	1.41	8.87
FY2025	0.68	0.69	0.69	0.68	0.69	0.69	0.69	-	-	-	-	-	4.80

<sup>5</sup> Distributions are stated as cents per unit and have been rounded to two decimal places. Detailed distribution announcements are available on the [PCI website](#) and are stated in Australian dollars rather than cents per unit. Past performance is not indicative of future performance.

### Seniority breakdown <sup>^</sup>



### Sector allocation <sup>^</sup>



<sup>^</sup> Source: Bloomberg and Perpetual Asset Management Australia. Data is as at 31 January 2025. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

## Portfolio Update

Financial markets performed well during January, notwithstanding elevated volatility among global bond yields. Uncertainty around the implications of the second Trump presidency remained a driving force for global markets. Declining domestic inflation was a key theme locally with December quarter CPI data below expectations and nearing the midpoint of the RBA's target band. Improved inflation print alongside a run of soft economic data and slow wages growth saw expectations firm for the RBA to commence monetary policy easing as early as February.

Bond markets saw elevated volatility during January as strong US employment data saw long term yields spike before retracing. Domestic bond yields also rose mid-month before receding. PCI's near zero duration continues to minimise the impact of ongoing bond yield volatility as investors try to price the path of monetary policy easing.

Income return remains the most substantial contributing factor to performance. The Trust continues to collect a healthy yield premium above the RBA cash rate, led by allocation to non-financial corporate loans alongside contributions from securitised assets and domestic banks. At month end, the Trust's running yield was 7.9%.

Credit spread dynamics were mixed for performance during January. The Trust's allocation to domestic and offshore banks alongside insurers contributed to performance. Corporate sectors were more mixed with widening spreads among a small number of high yield industrials detracting slightly. Spreads remain supported by low recession risks and resilient employment data, despite softer economic growth. Default rates – while rising – remain low and the possibility of lower interest rates during 2025 is constructive.

Primary market volumes were bumpy through January with a rapid pace set in the first full week of the year before easing over the remainder of the month and pausing in the last week as the January public holiday and lunar new year disrupted deal flow. The Trust took part in a new \$1.75B subordinated tier-2 deal from ANZ which priced in the first full week of the year. Elsewhere, the Trust's issuer exposure among offshore banks was adjusted with the Manager electing to add a new Credit Agricole deal while reducing exposure to Toronto Dominion Bank (sold in secondary) and BNP Paribas (called).

Our proprietary credit outlook score remained neutral at the first meeting of 2025. Valuation indicators are marginally negative reflecting tight US high yield and domestic swap to bond spreads. Soft economic growth and a heavy pipeline anticipated new credit issuance also weigh on the outlook. These indicators are offset by a number of supportive technical indicators comprising US credit, equity and equity volatility.

With the outlook for credit finely balanced, the Trust remains defensively positioned while retaining the capacity to take advantage of relative value opportunities as they arise.

## Investment objective

To provide investors with monthly income by investing in a diversified pool of credit and fixed income assets.

## Target return

To target a total return of RBA Cash Rate plus 3.25% p.a. (net of fees) through the economic cycle. This is a target only and may not be achieved.

## Investment strategy

The Perpetual Credit Income Trust invests in a diversified and actively managed portfolio of credit and fixed income assets.

The Trust will typically hold 50 to 100 assets.

30% - 100%	Investment grade assets
0% - 70%	Unrated or sub-investment grade assets
70% - 100%	Assets denominated in AUD
0% - 30%	Assets denominated in foreign currencies (which are typically hedged back to AUD)
0% - 70%	Perpetual Loan Fund
< 5%	Perpetual Securitised Credit Fund

The Trust will diversify exposure and will have maximum exposure limits to issuers.

Typical investments will include corporate bonds, floating rate notes, securitised assets and private debt (for example, corporate loans).

## About the manager

The Trust's investment portfolio is managed by Perpetual Investment Management Limited, part of the Perpetual Group, who believes the key to investing in credit and fixed income assets is constructing a well diversified portfolio of quality assets. Its experienced and highly regarded investment team actively manages investments based on fundamental research and analysis of quality, value and risk.

## Portfolio managers



**Michael Korber**  
Managing Director, Credit & Fixed Income

**Portfolio manager:**  
Perpetual Credit Income Trust  
Perpetual Pure Credit Alpha

Michael has over 41 years' experience, having been involved in credit markets since their development in Australia during the 1990's. Unlike many other fixed income portfolio managers in this market, Michael has a background in lending and banking, understanding credit risk in a fundamental way.



**Michael Murphy**  
Senior High Yield Analyst

**Portfolio manager:**  
Perpetual Loan Fund

Michael is an experienced credit markets specialist, having previously worked in high yield, private debt and leverage finance roles. As portfolio manager of the Perpetual Loan Fund, Michael has a focus on sourcing and assessing higher yielding income opportunities.

## For more information

### Investor relations



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This monthly report has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535, AFSL 234426 (PIML). It is authorised for release by Perpetual Trust Services Limited ABN 48 000 142 049, AFSL 236648 (PTSL). PTSL is the responsible entity and issuer of the units in Perpetual Credit Income Trust ARSN 626 053 496 (Trust). PTSL has appointed PIML to act as the manager of the Trust. This monthly report is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not indicative of future performance. This information is believed to be accurate at the time of compilation and is provided in good faith. This report may contain information contributed by third parties. PIML and PTSL do not warrant the accuracy or completeness of any information contributed by a third party. Any views expressed in this monthly report are opinions of the author at the time of writing and do not constitute a recommendation to act.

Before making any investment decisions you should consider the Product Disclosure Statement (PDS) for the Trust issued by PTSL and the Trust's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at [www.perpetualincome.com.au](http://www.perpetualincome.com.au) or can be obtained by calling 1300 778 468 (within Australia) or +61(2) 9299 9621 (from overseas).

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